

Appendix B: Governance and Implementation Costs

When developing the policy simulation model, HSPC (as part of the Universal Financing Project) was guided by a group of nationally recognized early learning experts to draft a model budget for government and administrative functions to support a higher quality early learning system. These experts decided upon an umbrella structure to identify a) local and state government costs, b) a resource and referral system, c) support to enable providers to become accredited, and d) a management information system and state data base. The budget combined examples of existing state systems (such as Smart Start) and research and analysis (on child care resource and referral functions, for example). For the policy simulations in other states, HSPC adjusted the governance and administrative costs to reflect the size of the population of children from birth to age five in each state.

Because the State of Washington will use the Access to High Quality Early Learning Project as a tool within the broad structure of Washington Learns, HSPC worked with staff from the Early Learning Council, the new Department of Early Learning, and the Washington State Child Care Resource & Referral Network to create a rough estimate of the first phase of costs to support a phase-in of QRIS implementation in 2007-09, reaching about 15% of the state in the first year and an additional 10% of the state (for a total of 25%) in the second year. These estimated costs reflect the dialogue and decisions of the Steering Group to the Access Study and the ELC as of August, 2006. HSPC anticipates that this budget will be a tool a) to understand administrative costs within the larger aggregate costs of a high quality early learning system and b) to use an

initial point of reference in the continuing dialogue of implementing the QRIS system within the larger framework of Washington Learns.

We gratefully acknowledge support and cost estimates from the staff of the Early Learning Council and its QRIS Technical Advisory Committee, Department of Early Learning, and the Washington State Child Care Resource & Referral Network.

Governance

The estimates cover the state level coordination for a phase in of the QRIS system based on the administrative costs of the Spokane pilot on Tiered Reimbursement. Department of Early Learning staffing costs include salaries and benefits for three professionals, a half-time finance staff person, and a half-time administrative staff member. Staff totals **\$350,000** annually for the coordination of the new QRIS system.

The cost of a state policy advisory group is based on the annual costs of the Early Learning Council in 2005-06—a total of **\$250,000** annually to support this element of the state infrastructure.

Accreditation and QRIS Support

HSPC estimated costs of grants and accreditation fees using the participation estimates modified by the Steering Group to the Access for High Quality Early Learning Project. With the estimated participation of centers and family child care homes at each QRIS level, we calculated 15% and 25% phase-in of grants, accreditation fees, and external assessments.

To estimate the costs of mentoring and technical assistance, the Washington Child Care Resource & Referral Network estimated the number of children served in licensed centers and homes as part of the QRIS system. The estimate of is based on a more

intensive caseload to provide more mentoring, onsite consultation and support to help providers move between levels and access other resources. These caseload figures were generated based on a conversation with Colorado about what their caseloads were for participating programs and what would be reasonable based on the differences in their Qualistar model and Washington's proposed QRIS model.

The costs to provide all these supports total **\$3.2 million** in 2007-08 (15% phase in) and **\$5.3 million** in 2008-09 (25% phase in).

Washington Child Care Resource and Referral Costs

The revised number for core R&R services is \$10.78 million per year, as estimated by the Washington State Child Care Resource & Referral Network. The current state investment in core Resource and Referral services is \$2.6 million. This would represent **\$8.18 million** in increased investment to meet basic core Resource and Referral services. The overall budget figures reflect the optimal level of salaries and qualifications for staff across a more fully funded Resource and Referral system with sufficient staff to meet the basic core services that the R&R is expected to perform under Section 204 of 2SHB2964 formerly RCW 74.13.0903 which include the following:

- parent services to provide information and referral to parents on child care options, location of services and subsidies;
- basic technical assistance support to licensed child care providers across the state including recruitment and retention, lending libraries, and substitute banks;
- collection and analysis of statewide and local licensed child care data trends; and
- coordination and management of fundraising efforts for local, state, federal activities and coordination of community collaboration and partnerships that promote better outcomes for kids.

The increased investment would:

- Decrease the current technical assistance and consultation caseloads of provider services staff from about 1:300 licensed providers to 1:200 providers, the recommended level by the National Association of Child Care Resource & Referral Agencies (NACCRRA);
- Increase the availability of telephone technical assistance to providers from 25 hours per week per R&R program to 40 hours per week;
- Reestablish substitute banks;
- Bolster recruitment and retention of quality providers to increase parental choice;
- Establish dedicated staff focused on parent needs and consumer education;
- Increase parent referral line hours from 25 hours a week per R&R program to 40 hours a week per R&R program, with adequate staffing to answer calls live;
- Increase local participation and collaboration that ensures that the voices and specific needs of licensed child care providers are heard; and
- Increase training, education and networking opportunities on R&R best practices for R&R staff and implementation of quality assurance standards for programs.¹

Management Information System

Based on estimated costs of the E-childcare system, DEL factored in additional funds to incorporate new elements to the system—creating a total of **\$7 million** in one-time costs over two years of development. The annual costs total **\$3.2 million** in 2007-08 and **\$3.8 million** in 2008-09. In the subsequent biennium, annual costs of **\$3 million** in 2009-10 and annual maintenance thereafter of **\$1 million**.²

Evaluation

As a means of evaluating both the QRIS program operation and child outcomes, we roughly estimated costs for general evaluation of the system as a whole. DEL estimated costs for an evaluation of child outcomes with a randomized trial of QRIS centers and family child care programs. The two evaluations total **\$4 million** in one-time costs.

¹ Source: Washington State Child Care Resource & Referral Network (August, 2006).

² Source: Department of Early Learning (August, 2006)

Government and Implementation Budget		State Infrastructure		QRIS Support		Total		Statewide
		2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	Implementation
Governance	State level Policy Advisory Committee	\$250,000 ³	\$250,000 ⁱ					
	Department of Early Learning Staff			\$300,000 ⁱ	\$300,000 ⁱ			
	Department of Early Learning Non-personnel			\$50,000 ⁱ	\$50,000 ⁱ			
						\$600,000	\$600,000	\$600,000
QRIS Support	QRIS Grants ⁴			\$1,535,000 ⁱ	\$2,555,000 ⁱ			\$10,200,000
	Accreditation fees ⁵			\$131,020 ⁱ	\$218,125 ⁱ			\$871,650
	External Assessment of QRIS Centers/homes ⁶			\$657,000 ⁱ	\$1,095,000 ⁱ			\$4,374,000
	Mentoring and TA ⁷			\$870,439 ⁱ	\$1,465,985 ⁱ			\$5,442,867
						\$3,193,459	\$5,334,110	\$20,888,517
CCR&R ⁸ MIS ⁹	Core functions	\$8,183,387 ⁱ	\$8,183,387 ⁱ			\$8,183,387	\$8,183,387	\$8,183,387
		\$3,200,000 ¹⁰	\$3,800,000 ^{vii}			\$3,200,000	\$3,800,000	\$7,000,000
Evaluation		\$2,000,000 ^{viii}	\$2,000,000 ^{viii}			\$600,000	\$1,000,000	\$4,000,000
Totals		\$13,633,387	\$14,233,387	\$3,543,459	\$5,684,110	\$15,776,846	\$18,917,497	\$40,671,904
Inflation-adjusted Totals		\$13,974,222	\$14,945,056	\$3,632,045	\$5,968,316	\$16,171,267	\$19,863,372	

NOTE: Statewide costs are not adjusted for inflation.

³ Annual

⁴ We calculated grants for capital expenses, curriculum, and supplies of \$5,000 per center and \$1,000 per family child care home for a phase in of 15% in 2007-08 and 25% in 2008-09, using existing estimates for participation at each QRIS level. The Spokane model provides a one-time grant to providers—average of \$2,000 per family child care home and range of \$3,000-\$12,000 depending on size of the center, which guided our rationale for costs. We allowed for programs to receive grants at all 5 levels of the QRIS to support continual program improvements from the initial improvement plan to external assessment to accreditation. These are rough estimates to be refined with implementation.

⁵ HSPC researched fees for NAEYC and NAFCC accreditation and calculated estimates for a phase-in of 15% and 25%, based on estimated participation rates for each level of the QRIS system. We assumed that centers would begin their self-study at QRIS level 3, submit fees to become a candidate and have their assessment at level 4, and pay fees for the annual report at level 5. NAEYC Accreditation is valid for 5 years, and we did not include an estimate for re-accreditation in the first biennium. Also, we did not include funds to support major changes to their program at level 5. We assumed that family child care homes would pay fees at level 4 and that one-third of the programs would be re-accredited at level 5, as accreditation is valid for 3 years.

⁶ Based on the Qualistar model in Colorado, we estimated costs of an external assessment of \$1,000 per classroom (with homes representing one classroom and centers an averaged of 3 classrooms). These costs include the hourly cost of assessor to use the ECERS instrument.

⁷ As estimated by the Washington CCR&R Network, this amount is based on caseload estimates for mentoring and technical assistance needed for a QRIS system, based on the Qualistar system in Colorado.

⁸ This estimate was prepared by Washington CCR&R Network staff based on the budget for core functions.

⁹ DEL estimated the one-time development costs and annual maintenance costs of a management information system based on a previous estimate for the E-childcare system.

¹⁰ One time

